



THE

Credit Union

OFFICIAL PUBLICATION OF THE CREDIT UNION NATIONAL ASSOCIATION, INC.

ON THE COVER

A credit union should serve the whole family. Plans for the future should be discussed by the whole family, as far as possible, and every member of the family should be given something to look forward to. (See story, page 2.)



The Credit Union

Bridge

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COMING SOON

The credit union tax position
 Combined bookkeeping operation



THE BEST ADVICE FOR YOU

The best advice for you . . . is the advice you give yourself.

Harry S. Truman once said, "When I am giving somebody advice, the first thing I do is find out what they want to do. Then I advise them to do it."

This may sound like a joke, but it isn't. As former-president Truman explained, advice that is good for some people is not good for others. People do things much better when they are the things they want to do,

rather than the things other people want them to do.

Advice always involves two things: a person and a situation. It's usually easy to understand the situation, but it's never easy to understand the person. You understand yourself better than others are likely to—at least you understand what advice clicks best for you, and what advice is useless, however well meant it may be.

Your credit union officers will be glad to give you advice on your

financial affairs. You will find that they have quite a lot of information. They have talked to a lot of members, and seen a good many problems. They know what's going on. But when you talk things over with them, they will probably listen more than they will talk. They may give you some information, but they know that the best thing they can do for you is to help you figure out things for yourself. The best favor any man can do for another is to listen to him.

YOUR CREDIT UNION

Your credit union is different from a bank or loan company in one fundamental way.

It belongs to you. You and the rest of the members.

You can use it or not, as you wish.

It will be a better credit union if you use it and take a real interest in it, save in it, borrow from it, serve on its committees. It will be a worse

credit union if you don't.

The purpose of the credit union is to take the strain out of money. You should be able to save without straining, and your credit union makes this possible. You should be able to borrow without straining, and your credit union makes this possible too.

Your credit union is like a big family. It's not a commercial thing.

It's held together by friendship, respect, and the spirit of service.

The directors and committee members of your credit union serve without pay, out of their good will toward you and the rest of the members. They are trying to run a good credit union, because they have seen how people benefit from a good credit union.

BUDGETING

your 1960 work sheet ▶

Planning future purchases is probably a better way to say it. *Budgeting* sounds grim to most people. But they're the same thing.

There's a simple way to budget, which many people use, but it's expensive. That's to borrow for everything, and let the size of the monthly payments set the limits. This works, but it has two disadvantages—it makes you vulnerable to emergencies, and it's expensive. In the long run, it actually lowers your standard of living, because of the steady payments for interest.

There's a complicated way to budget, too, and that's to plan everything down to the last cent, including depreciation on your electric toaster. Few of us have the patience or the skill with figures to do this. The belief that budgeting has to be complicated—plus the feeling that once you've got a budget you can't buy the things you really want—stops most people before they start.

Nevertheless, most people do plan their future purchases. The worksheets that follow on the next three pages are meant to help make this easier. They are not really budget sheets. They are just estimate sheets, that will help you get things clear in your own mind.

You can find out where you stand without itemizing everything down to the last penny. It's worth doing, and it's especially worth doing with the whole family taking part. Each member of the family will get a better idea of how things are going, what's possible and what's not possible—and each member is likely to come up with a bright suggestion or two. Besides, planning future purchases doesn't work very well unless all the family is cooperating, and cooperation has to be based on mutual understanding. The plans should include a goal for each member of the family; even the

youngest, within reason, should pick some goal for himself. In other words, the plans should benefit everybody personally as well as everybody in general.

Your credit union will help you work out the figures if you want them to.

A plan for one year is a good thing to have, but a young couple who have just been married may well have forty or fifty years ahead of them. They can't do everything in the first year. It will help them to look ahead a bit further.

They ought to keep it in mind that they are not going to be able to save much during the first few years, but can build up life insurance protection and equity in their home during that time. Meanwhile, they will be busy equipping their home and doing what they can to bring up and educate their children.

Later, if all goes well, they will be able to save more when the children have become self-supporting. Chances are the husband's income will reach its peak while he is in his fifties, although this will depend on what kind of work he does. Just what income he can expect at the peak should be recognized frankly, because realistic planning depends very much on where the ceiling is going to be. There is no sense in making plans on the basis of, "Well, maybe we'll have some luck."

If the wife works, the income she brings in should never be counted on. There is no harm in using it to buy useful things, but it's a mistake to borrow on it. It can stop any time.

Borrowing will raise the standard of living during the early years if it's done wisely. Debt counselors say you should stop borrowing when your short-term debt totals three months' pay. In other words, a man making \$100 a week should not borrow more

than \$1300. However, this depends on what his other obligations are. A family with many children should be more cautious than a family with none.

Some people, of course, prefer to plunge ahead without a plan. They sometimes come to grief. Most divorces, say lawyers and judges who handle such cases, are caused wholly or partly by money problems. It's better to use a little common sense.

(Thanks to Bob Kneebone for the use of these worksheets which he planned for the use of members of CUNA Credit Union.)

Using the worksheets ▶

Fill in each expense item as you come to it. Later on, you may find an item you have already entered in another space; for example, you may have included fire insurance with your house payment. If so, just write "included above" and go on.

After you have filled in all the spaces, go back and figure the total for the year. When you have entered a figure under "weekly", multiply it by 52. Under "monthly", multiply by 12. Under "quarterly", multiply by 4. If it's an annual figure, just enter it in the "total" space.

To get a grand total, it's easiest first to add each group separately. Make sure, as you add, that you've got a total for each line, or that it's accounted for somewhere else.

Use spaces marked "miscellaneous" for anything not specified by name. If you work on the basis of take-home pay rather than gross salary, then of course you will omit federal taxes and social security payments.

EXPENSES		WEEKLY	MONTHLY	QUARTERLY	ANNUALLY	TOTAL YEAR
HOUSING	RENT OR PAYMENT					
	LIGHT AND GAS					
	HEATING					
	TELEPHONE					
	TAXES					
	WATER					
	WATER SOFTENER RENTAL					
	REPAIRS-PAINTING					
FOOD	FOOD					
	MILK BILL					
	BAKERY OR DELIVERED GOODS					
	CIGARETTES					
CAR	GAS AND OIL					
	REPAIRS, TIRES, ETC.					
	LICENSE					
INSURANCE	HOSPITAL					
	CAR					
	HOUSE					
	PERSONAL PROPERTY					
	LIFE					
	LIFE					
	LIFE					
	LIFE					
PERSONAL	BARBER					
	BEAUTY SHOP					
	ALLOWANCES					
	NEWSPAPER					
	MAGAZINES					
	TOILETRIES					
MEDICAL	DOCTOR					
	DENTIST					
	DRUGS					
CLOTHES	SELF					
	WIFE					
	CHILDREN					
	CLEANING					
	LAUNDRY					
TOTAL THIS PAGE*						

EXPENSES (Continued)		WEEKLY	MONTHLY	QUARTERLY	ANNUALLY	TOTAL YEAR
REGULAR SAVING	CREDIT UNION					
	OTHERS					
LOAN PAYMENTS & TIME CREDIT	CREDIT UNION					
	SEARS					
	WARDS					
	OTHER					
	OTHER					
	OTHER					
GIFTS	BIRTHDAY					
	CHRISTMAS					
	OTHER					
SCHOOLS	TUITION					
	BOOKS					
	EQUIPMENT					
CONTRIBU- TIONS	CHURCH					
	OTHER					
	OTHER					
ENTERTAINMENT	MOVIES					
	DINNER OUT					
	COMPANY IN					
	CHILDREN PARTIES					
	PARTIES					
	CLUBS					
	SPORTS & BOWLING					
	BEVERAGES					
	VACATIONS					
	BABY SITTER					
	UNION DUES					
	OTHER DUES					
MISCELLANEOUS	SOCIAL SECURITY					
	INCOME TAX—FEDERAL					
	INCOME TAX—STATE					
	TV & APPLIANCE REPAIR					
	MISC.					
	MISC.					
	MISC.					
TOTAL						

(Add all items of expenses together)

EARNINGS	WEEKLY	SEMI-MONTHLY	MONTHLY	ANNUALLY	TOTAL YEAR
WAGES					
OTHER WAGES					
WIFE'S INCOME					
INCOME FROM PROPERTY					
DIVIDENDS					
COMMISSIONS					
OTHER INCOME					
TOTAL					
TOTAL EARNINGS					
TOTAL EXPENSES					
NET EARNINGS (Subtract expenses from earnings)					

WHAT I OWN	VALUE	WHAT I OWE	Balance
HOME		HOME	
CAR		CAR	
FURNITURE		FURNITURE	
OTHER PROPERTY		SEARS	
OTHER GOODS		WARDS	
SAVINGS		CREDIT UNION	
OTHER SAVINGS (BONDS, ETC.)		LENDER	
OTHER		LENDER	
		OTHERS	
		OTHERS	
		OTHERS	
		TOTAL OWNED	
		TOTAL OWED	
TOTAL		TOTAL NET WORTH (Difference between total owned and owed)	

GETTING THE MOST FOR YOUR MONEY

*You can work hard at shopping
and save money that way, but there may be
easier methods for you*

GETTING the most for your money takes planning and study. It takes years of thoughtful shopping. It's a bother. Many people would rather not take the trouble.

However, it's possible that the need for study and planning has been over-emphasized. It's possible that there are one or two ways you can get more for your money without too much bother, and that these one or two savings will be bigger than many small savings that cost you tremendous trouble and effort.

You may be able to find such savings by comparing your expenditures with those of the average family. If your family is not average, or if you don't know your expenditures, then it will take some work. But within reason, comparisons help.

The average family, according to the most recent study made, spends—

- 33 cents out of each dollar for food
- 14 cents for transportation
- 18 cents for shelter
- 10 cents for clothing
- 9 cents for medical care
- 16 cents for other purposes

Now of course this varies, depending on the size of the family, their income, the size of the city in which they live, the climate, and so on. In some cities, nearly everybody owns his own home; in other cities, most people rent. In some cities everybody goes to work by automobile; in others, most go to work by bus, streetcar or subway.

Young children don't eat as much as older children, but they run up more doctor's bills. Young couples

just married spend more on home and appliances than older couples, who may have the mortgage paid off and the home well furnished. You have to allow for all this, and remember that there really isn't any such thing as an average family.

But the figures might help you spot a mistake. If you are spending much more than average in some category, very possibly that's where you can save money if you want to. It's worth thinking about.

The following pages will give you a few hints on how to save money on food, housing, transportation and so on. There is nothing new about these; you will find the same kind of thing in many magazines, books and newspapers. It is always interesting to check through them for an idea or two. Few people will read them through with a determination to change their habits from top to bottom. Most of us enjoy shopping the way we do it now; that's why we do it that way. We deliberately buy some things that are more expensive than we need, because it appeals to the snob in us. We are consciously weak or lazy about bargaining for some things, because it would embarrass us too much to be tough.

The financing of automobiles happens to be one field in which few consumers bargain as hard as they might. Dealers still handle most auto financing, and dealers normally have several plans which may offer high or low rates as much as \$200 apart over the financing period. They naturally like to get the high rate, which often provides them more profit than they

make on the car itself. Many car buyers work hard to get the price of the car down \$100 or so, then throw the gain away by accepting the first financing deal the dealer suggests.

Anybody who really wants to become a better shopper should go to a public library and look through the available books, pamphlets and magazines. There's a wealth of information to be had for the asking.

For further information

Magazines:

Changing Times, Kiplinger magazine, 1729 H Street, N. W., Washington 6, D. C.

Consumer Reports, published by Consumers Union, 256 Washington St., Mount Vernon, New York.

Consumer Bulletin, published by Consumers' Research, Washington, New Jersey.

BOOKS:

"Managing Your Money" by J. K. Lasser and Sylvia E. Porter

"Freedom from Money Worries" by Price and Martha Patton

"Your Guide to Financial Security" by Sidney Margolius



The two ways most people sacrifice money for transportation is by carrying too much financing and too much depreciation. Because these are hidden costs, they're easily overlooked.

YOUR TRANSPORTATION

The average family now spends 14 cents out of every dollar for transportation, which means for owning an automobile.

This is the biggest change that has taken place in family budgets in the last fifty years. Of course, a family can still do without a car and travel by bus, streetcar, taxi and train. This will usually reduce expenses substantially. In some big cities, particularly New York and Chicago, parking and garaging have become so expensive that most families do not own cars except the wealthiest or those who live out on the fringes of town where space is available.

But most people want a car.

It's hard to advise people on car purchases, unless they look at a car as transportation. For many people a car is a pleasant, even a glamorous thing. They like to buy a new car, and they sometimes get carried away by this pleasure so much that they neglect to look into the financing charges. They feel, perhaps, that bargaining over a new car is a little like haggling over the price of a famous diamond.

Everybody knows it's cheaper to buy a used car than a new car. Not everybody knows that big savings are possible on financing. Financing through the dealer is hazardous, if you leave it up to him to pick out the financing plan; most dealers count on making money out of the financing, and will charge you whatever rate they think you will stand for. On new cars, one motor magazine suggests, you should say to the dealer, "I want the 5 percent rate."

You're usually better off with your credit union, anyway. On used cars, there's no comparison. Your credit union is better every time.

♦ ♦ ♦

TIPS

To save money, buy the smallest car that is adequate for your purposes.

Get a car with a practical engine size. An engine displacement of not more than 300 cubic inches is enough for most driving requirements.

Select a car with a low rear axle ratio. This ratio is the num-

ber of revolutions of the drive shaft for each revolution of the drive wheels.

For economy, if much of your driving is of the stop-and-go variety in the city, select a manual shift with overdrive. The low ratio of an automatic transmission is economical only at high-speed cruising in high gear.

♦ ♦ ♦

The yearly expense of owning a new automobile of average price totals approximately \$775 if it is driven only 5,000 miles per year. However, if the mileage is doubled the total cost rises to \$952. On the average, an automobile will depreciate 25 percent during the first year, 15 percent during the second and 10 percent each year thereafter.

To determine the amount spent each year on depreciation: take the purchase price of the car, finance charges included, subtract from this the value of the car at the time you expect to sell, and divide this amount by the number of years you will keep the car.

The depreciation of automo-

biles varies with the make and model. Generally speaking, foreign cars do not depreciate as rapidly as American makes. The Volkswagen, in particular, has a high resale value.

Depreciation rates are not consistent within any particular price range of American automobile. Cadillac has one of the highest resale values, Imperial one of the lowest. In the low price range, Rambler depreciates least. The difference in depreciation rates of most other American cars is slight. Appearance and utility are often more important than make in determining the resale value of an automobile. For example, a station wagon will have a higher resale value than a convertible, an automobile painted in conservative colors will be easier to dispose of on the used car lot than will a gaudy one.

♦ ♦ ♦

With new car costs averaging close to \$3,000, it will often pay to replace just the worn-out engine or the transmission rather than the entire automobile. But when shopping for an engine rebuilding shop, you must be on your toes for misleading ads, misquoted prices and the 10,000-mile guarantee with no mention of a time limit. A good rebuilt 6-cylinder engine costs around \$250-\$350 including installation and credit for your old engine trade-in. Some shops will do the job for less, using a lower-grade rebuilt. Be sure the new engine is actually remanufactured and not just an overhaul.

Many expensive repairs can be avoided if oil is changed frequently—every 500 or 1,000 miles, especially during the winter. For a car in reasonably good condition, it's worth buying at least the medium-priced grade of oil, which has detergents and chemicals to help keep the engine clean.

If your new automobile is not operating as economically as you had hoped, the timing may require further adjustment. Check the gas consumption carefully for 2,000 or 4,000 miles. If the performance is below par have the dealer adjust the timing and carburetor.

Gas mileage has been declining since the thirties. Actually the quality of gas has improved, as has the engine efficiency. But the average car is also much heavier

than it was twenty years ago.

The most important factor influencing the gas consumption of your car is *you*—in other words, the manner in which you drive. Fast starts and frequent change of speed will cut down your mileage.

As soon as possible, shift into high gear.

By anticipating traffic you can avoid red lights and other gas eaters.

Many motorists waste money on premium gas when their automobile does not require it. Most cars built before 1956 have compression ratios of under 8.5:1 and operate satisfactorily on regular. The heavier cars of 1957 and 1958, as well as the eight-cylinder 1959 models from Pontiac, Mercury, Dodge on up have high compression ratios, some as high as 10.5:1. These run better on the premium gas. Those in the 8.5:1 to 10:1 class may run satisfactorily on regular but there will be some loss of power. This loss, however, may be regarded as trivial. If the engine does not knock on regular, it will run no better on premium unless the spark is advanced. A motorist who has been using the higher octane gas must have the spark retarded if he wants to give regular a fair test in his automobile.

The best tire value for the average motorist is the first-line tire with nylon cord. It's safer, longer-wearing and quieter than the second-line. A better quality tire generally feels (and is) heavier. It also has a wider, flatter tread face, and more cross-cuts in the tread to aid braking action. They generally have relatively straight treads or only slight zigzags.

Snow tires are no substitute for chains. The snow tire with a tread containing plastic chips is superior in performance on wet and snow surfaces to most leading brands of snow tires. But its life is only about 11,000 miles.

Before buying, determine whether the advertised list price is the one at which the tire is usually sold in the area; it may be fictitious—higher than you would normally pay.

By inflating your tires 3 or 4 pounds above the recommended pressures, you can save on gas as well as increase your tire mileage.

Since the war, there has been a rash of "10 to 15 year" batteries on the US market. Some of these are genuine but most of them are merely disguised conventional lead-acid batteries, high in price, mediocre in quality, and sold with misleading guarantees. A true nickel-cadmium battery costs about \$165. It can be identified by the fact that it has 5 or 10 cells instead of the usual 3 or 6.

If you are going to trade in your car next year, it isn't necessary to put a long-life, expensive battery in your car.

Winter is the best time to shop for auto seat covers. The best gauge to get is 16. Eight-gauge rips too easily.

There's a cheaper method of keeping fog from clouding your windshield than the anti-fog compounds sold by service stations. Just rub a damp cake of soap across your windshield, then wipe it off.

You can also use tube-style shaving cream or shampoo.

Whatever became of the old fashioned car pool?

Some companies are charging less for insurance on the new compact cars. This may develop into something worth thinking about when you buy your car.

Most advisers agree that it isn't worth while to carry collision and comprehensive insurance on older model used cars. The cost is too high, and the possible claims are too limited. On such cars, you can cut back to liability types of coverage, which are cheaper considering the size of potential claim they may pay.

Car dealers today are often making more out of financing than out of selling cars. Don't expect to be kissed on both cheeks if you offer to pay cash.

On the other hand, there are various times when you are more likely to get a good deal. For example, January is usually a poor month for dealers, and they are glad to make any sale, no matter how small the profit. Similarly, many dealers admit they cut prices more during the second half of any month than they do during the first half.

Probably the best advice you can give anybody who is about to buy a car is, by all means shop around. Do not buy anything until you have visited at least three dealers; and if you have the stamina, call on more.

Convenience has been added to many food items, raising the cost. Yet food takes less of the average family budget today.



YOUR FOOD

For the average family, food takes 33 cents out of each dollar spent.

It's undoubtedly money well spent. A balanced diet is the basis of good health. The fact that the younger generation is taller every year shows that diets are steadily improving. A good balanced diet must include, according to nutritional research people: meat or other protein products, dairy products, cereals, fat, leafy vegetables, fresh fruit, yellow and green vegetables, sugar. The amount that people need of these things depends on age and other factors. But it's clear that as income goes up, people eat more meat and vegetables, less of the cheaper filling foods. Current studies show far fewer children are malnourished today than was true thirty or forty years ago.

Money spent for food can vary widely, however. Some families pay much more than others for conven-

ience items. Years ago there were many jokes about the young wife who started her housekeeping career with nothing but a can opener. Now the jokes are mostly about thawing out something for supper. The trend toward convenience in foods goes back forty or fifty years, however, to the time when incomes started to rise fast. Of course pre-cooked, frozen or specially packaged foods cost more than old-style foods served out of a barrel. Potatoes, dried beans and peas, cheese and eggs are cheaper than frozen lobster tails and canned potato salad. It is possible to eat decently on a much lower expenditure than the average family does, using powdered milk, potatoes, cheese, cabbage and other cheap foods.

However, most families would prefer to find other areas in which to economize. Meals are a central part of family life, and every family wants

them to be as enjoyable as possible. The careful family will watch food prices carefully, shop carefully, and try to compromise between minimum expense and maximum pleasure.

Here are some points worth thinking about.

Tips

The real test of which is the cheapest store in your neighborhood is what your sales slips say at the end of the week. If you save your slips, you will be able to make comparisons. It is hard to make comparisons on individual items.

A store that gives you trading stamps is probably charging more—at least, that is what most business papers report. This has become a highly controversial subject. You are justified, at least, in being on your guard.

One major reason for wasted money

in the food department is right in your kitchen. Most housewives lose track of what they have on hand. Leftovers and other dishes get pushed to the back of the refrigerator or the pantry shelf, and spoil. Every housewife should take a careful inventory, at least twice a week, so she will know exactly what's in the house.

Food is the biggest expense in most family budgets. Often, the reason is that too much is spent on meats and baked goods. Soft drinks and candy are other items that are money consuming.

Price has nothing to do with the nutritional value of meat. Sirloin and porterhouse steaks are no better for you than chuck, kidneys and hamburger.

The secret of saving money on meat is to learn how to cook the lower priced cuts. (Anybody can cook steaks and chops.) This means learning to use seasonings, spices, herbs, garlic—whatever suits your family's taste. It also usually means slow cooking.

Another way to save money on meat is to learn how to stretch it. Serving meat in the form of stew, meat loaf or casserole dishes—often with dried beans, peas, lentils or cereals—will make meat go farther.

You can't call yourself a cook until you know how to cook fish so your family likes it. There are plenty of free booklets of recipes for fish. Fresh fish are very economical and often more nourishing than red meat. Frozen fish, now widely available, also can be found at good prices.

Cheese is a highly concentrated food and an excellent source of protein. Fancy cheese spreads and packaged varieties won't save you money, though. The most economical form of cheese is natural cheddar or American.

It pays to buy your eggs loose rather than neatly boxed. The price will be appreciably lower.

Whole milk is an important food for children, but you don't have to use it for every purpose. Powdered milk makes a good base for chocolate milk drinks. Evaporated milk can be used in cooking and will whip like cream. With adults who have a tendency to put on weight, skim milk or buttermilk should be served.

Buying ready-baked cakes and

cookies costs a lot of money nowadays. Cakes, candies and soda pop all belong to the class of foods that can be made cheaper and better at home. Children can have a lot of fun making things like this, and ought to be encouraged to make this sort of contribution to the family budget. Maybe they will enjoy making candy products for sale.

Some other foods that it's cheaper to make at home: pickles, ice cream, jelly and jam. Some people like to buy wheat or oats and grind them up in a coffee grinder for a delicious slow-cooked cereal.

An important food which most families neglect is whole grain cereal. This can be bought in various forms—natural brown rice, oatmeal, whole wheat cereal or whole wheat bread. Whole grain flours are also available for baking. These whole grain products are highly nourishing and not expensive.

An unbalanced diet is both dangerous and expensive. Children who eat sweet things all the time are risking their health. You should check your daily menus to make sure they include milk, butter and cheese; raw fruit and vegetables; whole grain cereal or bread; meat or eggs; cooked vegetables.

Canned tomato juice has nearly the same vitamin C content as oranges or grapefruit. The price is lower.

Of canned meats the best buy is usually canned corned beef. This gives you a lot of protein for your money. Most other canned meats are in the luxury class.

Coffee in a can costs more than freshly ground coffee sold in paper bags, and it gets stale faster.

It's more convenient, advertisers claim, for you to buy food in smaller cans and packages. They neglect to add that it's probably more expensive, too, per ounce of edible material.

The husky No. 2½ can of a few years ago has practically vanished. The No. 303 can, containing 16 ounces of food, has about replaced the 20-ounce No. 2 can. And the 30-ounce No. 2½ can—alas, we knew it well.

Compare the cost per ounce and you'll find that the food in the No. 2½ can often is 30 percent cheaper

than in the "convenient" No. 303 can. With this saving you can afford to eat leftovers.

Container sizes can fool you. One famous brand of peanut butter has an 11-ounce jar that looks almost exactly like the usual 12-ounce jars, and they both cost 35 cents. And there's likely to be a 10-ounce jelly jar mixed in with the standard 12-ouncers, again all at the same price.

Watch the wording on the cans and jars. Federal law requires that ingredients be listed in order of predominance. If the jar says "chicken with noodles," you'll get more chicken with noodles. But if it says "noodles with chicken" expect to look hard to find the chicken. By law there must be some there.

Food Shopping Tips

- Write out market orders and menus before shopping. Stick to your list.

- A good day to plan your week's shopping list is when the newspapers carry the grocery ads.

- Don't charge food.

- Buy your foods according to their weight if possible, rather than on bulk or count.

- Buy in large quantities, but not more than can be used immediately or safely stored.

- If time permits, visit more than one grocery to compare prices.

- Use locally produced foods and ones that are produced locally.

- Read the labels on the containers to determine the best food buy.

- Plan meals around those items that are at their seasonal low prices.

- To help stretch your food dollar, a government publication, *Family Fare: Food Management and Recipes (Bulletin No. 1)* may be obtained for 25¢ from the Superintendent of Documents, Washington 25, D. C.

- Buy powdered and skim milk when the purpose warrants it. These are satisfactory for many cooking purposes.

- If you have a freezer, buy larger cuts of meat. These are often cheaper and you will save shopping time.

What You Pay for Meat

Since meat is the biggest item on the food list (one out of every four food dollars) let's take a glance at what kind of work the meat dollar can do for you.

To determine the cost of various

cuts of meat and to decide whether trimmed or boned meat, frozen or unfrozen, is a good buy, you have to know the amount of edible meat per pound as well as the price.

If most of the fat is trimmed off, the total of columns 1 and 2 below

The table was prepared by researchers at the University of Illinois.

It has been determined by the New York State Cooperative Extension that the cost of pork bought on the hoof at the packing plant and cut up for the freezer would cost 45 cents

under-consumed, which means these families are not consuming enough oranges, grapefruit, tomatoes, cabbage and similar produce.

Calcium is another element short in too many family diets. Milk and milk products are the commonest sources of calcium, and families that do not consume enough milk, cheese, ice cream and butter will suffer deficiencies. Children will show health problems most.

Contrary to the common impression, farm families do not always eat better balanced meals than city people. They eat slightly better than city families in the North, about the same in the South.

A recent study of a group of college girls at Cornell showed most of the girls took less than 70 percent of the required amounts of calcium, iron and thiamine. The main reason was unwillingness to eat enough milk, eggs, bread, cereals and potatoes. One extra egg and a glass or two of milk each day would have brought the diet up to a healthful level for nearly all of them in regard to iron and calcium. More bread or cereal was needed to provide the thiamine.

A study of soldiers' eating habits shows men are reluctant to eat fish if it is simply fried and served. But they like it served with sauces and garnishes.

Tip to wives: some men will refuse to eat any pudding that can be handled with a fork!

Too many people, both teen-agers and adults, tend to go light at breakfast. People who say they are not hungry in the morning should eat lighter at night. We should eat like paupers at supper, says one well-known nutritionist. People who eat good breakfasts are more alert, efficient and energetic.

When a young man starts work, he may need to adjust his eating habits, especially if he is stepping into some kind of indoor work that does not use much physical energy. He should watch his weight carefully at this time. The habits he sets himself in his early twenties are likely to be followed for many years, with an important effect on his health.

Beef	Percent of bone	Percent of fat	At \$1 per lb., the lean costs:
Heel of round	None	17.9	1.22
Round steak	4.0	14.3	1.25
1st and 2nd chuck ribs	13.5	12.5	1.36
Round-bone sirloin	7.7	25.4	1.51
3rd and 4th chuck ribs	14.5	20.1	1.55
Blade (or 6th) rib	14.6	22.2	1.62
5th chuck rib	16.0	21.6	1.65
Rump roast	14.2	26.6	1.70
Double-bone sirloin	18.5	23.0	1.74
Porterhouse	8.9	34.6	1.80
7th and 8th ribs	18.5	26.5	1.85
T-bone	11.4	34.0	1.87
Club steak	17.0	26.9	1.87

Beef	Percent of bone	Percent of fat	At \$1 per lb., the lean costs:
9th and 10th ribs	16.9	30.0	1.95
Hipbone sirloin	15.1	32.5	2.00
Plate	11.7	36.6	2.02
Brisket	13.6	36.2	2.05
11th and 12th ribs	19.0	33.1	2.14

Pork	Percent of bone	Percent of fat	At 70¢ per lb., the lean costs:
Boston butt	4.7	10.9	.82
Loin, roasts and chops	18.1	14.9	1.05
Ham	9.6	24.4	1.12
Picnic	13.8	20.6	1.15
Spareribs	40.6	Immeasurable	1.19
Bacon	None	49.4	1.56
Neck bones	63.7	Immeasurable	1.97

equals the percentage of waste material in various cuts of choice meat. The last column indicates the cost of lean meat, at the rate of \$1.00 for whole beef and 70¢ for whole pork.

(not counting freezer costs); 55 cents if cut from a dressed carcass bought directly from the packing plant and 63 cents if bought over the counter at the supermarket.

SOME COMPARISONS

Liver is exceptionally high in many nutrients, says the Department of Agriculture. Money spent for liver is usually well spent. Kidney and heart are also good buys.

Dry beans give high food value for the money spent. Peanut butter in another good value.

Small eggs are as economical as large eggs when the price of small eggs is one-fourth cheaper. Medium eggs are as good as large when the price is one-eighth cheaper. The color

of the shells has no bearing on food value.

Frozen foods are not always too expensive. Price trends are downward on these foods, and there are times when they are cheaper than fresh vegetables, partly because of the higher waste factor in fresh produce.

About one-tenth of the families in the United States today have poor diets, the Department of Agriculture estimates. On the other hand, nearly half fall short of what is considered desirable in some respects. Vitamin C is the food element most commonly

The biggest loan most people get during their lives is a home loan. A small difference in rate can mean a lot of dollars.

YOUR HOME



The average family now spends about 13 cents out of each dollar for housing.

Of course, this is just an average, and many young families just starting in life are straining themselves much harder than that. Many older people, on the other hand, have paid off their mortgages and are sailing along comfortably with low monthly payments for taxes and insurance.

Is a house a good investment? This is a controversial question. From the economic point of view, it isn't easy to prove that owning a house is cheaper than renting. There are many hidden costs in home ownership, as all home owners discover, and a house isn't worth much after twenty or thirty years of hard use unless plenty of money has been spent on upkeep.

Many a young family has bought a house simply because nothing was available for rent. The modern mortgage, with 25 or 30 years to run and low monthly payments, often makes this the easiest way out.

But of course there are big intangible satisfactions for most people in owning a home. If it helps bind the family together, if the children can be given more space for recreation,

if a pleasanter social life is possible, if everybody gets more privacy, then home-ownership is well worth while.

Tips on House Hunting:

Bear in mind that you will have additional expenses. Furniture, drapes, paint here and there, repairs of various kinds, shrubs, lawn, and so on. List them carefully and add them up. You can't get rid of them by ignoring them.

Does the house have adequate storage space? You may have to add a closet or two.

How much of the basement space is usable? Are there signs of water leakage?

Don't be coaxed into buying a house by the offer of wall-to-wall carpeting and draperies included. You are probably paying for these items anyway.

In a new area, don't be fooled by low property taxes. Low rates usually mean poor service.

You are better off buying a two-story house or a one-story basement-less house. Split-level jobs are more expensive to build and you are getting

less space for your money.

Is the kitchen adequate or will you have to make expensive changes to suit your needs?

If the house will require remodeling, get an estimate of what this will cost before you buy. Get it in writing.

A septic tank is a poor substitute for a sewer. Has it been sized on the basis of a soil percolation test according to the standards of the local health department?

Check the house for possible moisture damage. Raised woodwork, rotten window sills and stained plaster can tip you off.

Poor construction can often be detected in window and door fittings. Such defects may indicate settling.

When figuring the amount you spend on a house, you should add one percent of its value for annual upkeep, if the house is new; 2 percent if the house is old.

At your own leisure, have a private look at the house when the salesman isn't around.

Find out what your closing



costs will be. This includes title insurance, prepayments on interest and insurance, survey, mortgage service charge, recording fee, credit report, etc. These can total as much as \$700.

Some mortgages do not provide any saving in interest if you pay off ahead of schedule. Such a penalty can take a big bite out of expected savings.

* * *

If you are handy with tools you can spare yourself the expense of hiring a skilled workman when minor household repairs or additions are required. A wide variety of tools is often available on a rental basis from the local hardware store or from an agency specializing in equipment rentals. Floor polishing machines, sanders, drills, paint sprayers, plumbing tools, blow torches, electric hammers and stud guns are a few of the commonly available tools. A small polisher may rent for as little as \$1.50 per day. Other types of equipment such as power chain saws, rotary tillers, hospital beds and trailers are often available from the same agencies.

Your classified book lists them.

Tips on Upkeep

When you're trying to get good lighting in a room, remember that it's cheaper to burn a few big lamp bulbs than a mess of small ones. Watt for watt, big bulbs are more efficient than small bulbs, use less current and produce more light for your money.

* * *

It's cheaper to heat your home with oil than with gas in the areas of Baltimore, Boston, New Haven, New York, Philadelphia, Portland (Maine) and Portland (Oregon), Rochester, Seattle, Syracuse and Washington.

Gas is cheaper than oil around Atlanta, Buffalo, Chicago, Cincinnati, Cleveland, Detroit, Kansas City, Los Angeles, Milwaukee, Minneapolis, Pittsburgh, St. Louis and San Francisco.

Home Repairs

Before contracting to any costly home repair job ask yourself these 15 questions:

1. Do you know the name of the salesman and the name and address of his company?
2. Do you know if the company is reputable and dependable?

Have you asked the salesman for references?

3. If any guarantee is given, is it in writing in the contract, clear and specific as to what will be done if trouble develops.
4. If the company is making a long-term guarantee, do you have reason to believe that the company will be in operation 10 or 20 years hence?
5. Have you obtained more than one bid on the same job on exactly the same specifications?
6. Does the company provide liability and compensation insurance to protect you if there is an accident?
7. Do you know by what bank or financing agency your contract or note would be financed? Or before signing a contract, have you consulted your own bank about financing this job?
8. If work is to be subcontracted, will you be protected against liens on your home?
9. Does the contract contain the name and address of the company; specifications as to type

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Medical costs are rising, but average health is better and the average life is longer.

YOUR HEALTH

Medical costs are rising in family budgets. The average family now spends 9 cents out of each dollar for doctors' and dentists' bills. This is a good thing. Years ago, people didn't call on a doctor unless they were afraid they were dying. They dosed themselves with quack medicines and bought eyeglasses in the ten-cent store. Modern medical care has lengthened the average life and made it possible for people over 65 to live active cheerful lives.

The spread of health insurance of various kinds has made it much easier for the average family to afford hospital treatment. The newest type of health insurance—"major medical," as it is called by CUNA Mutual Insurance Society—pays the big bills that are so hard for the average family to handle; it is not expensive and provides excellent protection.

Nobody likes to see any cost rising,

but in all fairness it has to be admitted that the rise in medical expenditures represents a real gain.

TIPS

The most practical means of avoiding high medical costs for you and your family is to eat a well-balanced diet, get sufficient rest and follow the other simple rules for healthful living.

Every member of your family should have a periodic physical examination. Depending upon age, occupation, family medical history, individual needs for medical checkups vary. Families with diabetes in their medical history should, for example, be more frequently tested for this disease. By discovering and treating a condition in time, you may save yourself money and your life.

Heavy smokers, particularly those over 45, should have fre-

quent chest x-rays.

Follow your doctor's advice. Don't insist upon treatment which he feels to be unnecessary. Millions of dollars are spent on operations each year by physically healthy persons who insist "something is wrong" with them.

Provide yourself and your family with adequate immunization and vaccination. Before their fourth year, all children should be immunized against whooping cough, diphtheria, tetanus, polio and smallpox. In some areas, immunization against three or four of these diseases may be obtained in a single shot. The standard booster shots, however, must still be taken at the proper intervals. By having your whole family immunized at the same time, a considerable saving can often be made. Some doctors also recommend immunization shots for virus influenza. Adults should have a

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YOUR CLOTHING

**It's a smart shopper who
knows how to get good
value in clothes.**

Ten cents out of every dollar go for clothing in the average family. This is another changing item. While expenditures for transportation have been rising, expenditures for clothing have been dropping. The trend is to lighter, more casual clothes, lower in price and easier to keep clean.

But there is also a trend toward buying clothing on credit, which is generally bad. Except in emergencies, it should be possible to budget for clothing just as you budget for food. It's a regular expense, and if you borrow to pay for clothing, you are just adding to that expense.

Credit clothing stores in some big cities make a special appeal to people who are careless about how they handle their money. These stores have bad records and should be avoided.

TIPS

The best buys in all types of clothing are during the January clearance sales.

The only true wash-and-wear garments are labeled "automatic wash-and-wear." This means that the garment can go through the entire cycle of a washing machine and be dried in an automatic dryer.

In children's garments, always look for generous seams. These help resist strain and provide letting out room as the child grows. Seam edges should be stitched evenly and closely with strong thread. Seam edges also should be bound or at least pinked to protect against raveling. Seams should be flat.

Look for reinforcements at points of special stress: bar tacking and taped seams at placket

ends and under arms in dresses; in trousers, at pocket corners, in teeshirts, at shoulder seams.

Check the weave. Put the material between your fingers and see if the appearance changes as it will if "sizing" has been used to make the material appear better than it really is. Hold the material up to the light to see how closely woven it is, noticing any tell-tale thin spots which would soon wear through. Pull the material both ways to see how firmly it is woven or how resilient the weave is.

The best teeshirts are of mercerized combed cotton, next best is simply combed, the lowest is carded but not combed. Pull a piece of yarn from a cuff or edge and unravel it. If the fibers are short and loosely twisted, expect only poor wear. Long fibers twisted tightly together indicate good yarn.

The best dyes are vat dyes. Check the label to see if the color of the garment is guaranteed fast, both to washing and sunlight.

"Wash-and-Wear"

Faulty tailoring of the suit can result in rippling of lapel edges, seams and coat edges. Often these can't be eliminated.

Abrasion of the fabric causes "pilling" of short fibers on the surface.

A suit of inferior grade will wrinkle more easily as it ages.

The fabric of a wash-and-wear suit may feel scratchy when new or clammy in damp weather. Heavyweights are too warm. Some fabrics will cling to the legs.

Cheap material does not clean or press well.

Too much time is often required

for cleaning and pressing. Special procedures are often required.

If the suit must be let out, the needle holes may show permanently. Old creases are difficult to remove.

SHOES

Select a shoe with a slightly flexible toe box and heel counter (stiffening material used at the toe and the back of the shoe to support the outer leather). The toe box and counter should give a little when pressed but immediately resume the original shape.

Calfskin is the preferred outer leather. Close examination of the grain will reveal its source. Calfskin is fine-grained. Cowhide is coarser-grained. In children's shoes, sharkskin guards against scuffing.

Make sure the sock lining is of genuine leather and not merely paper dyed to look like leather. Also check for leather in the back of the shoe.

It's best not to wait to replace heels until they run way down or the whole shoe may be thrown out of shape.

It doesn't pay to have a child's shoe repaired if it's about to be outgrown. Don't pass the shoe on to another child, since each child's feet are shaped differently.

Be careful who repairs your shoes. A poor workman can reduce the size of a shoe by half a size.

A cheap shoe that fits well is a better investment than an ill-fitting expensive shoe.

Have both feet measured. They may not be the same shape.

Insist on careful fitting by the salesman.



You can save a little by shopping for bargains, but you're heading for trouble if you think anybody's going to give you something for nothing.

BARGAINS

Shopping for bargains can save you a good deal of money. It pays to watch sales. It pays to save sales slips and make comparisons.

On the other hand, you shouldn't expect too much. The shopper who hopes to get a \$100 product for \$10 is inviting salesmen to cheat him. We all make the mistake occasionally of buying something simply because it sounds like a fantastic bargain, and we all know how bad these bargains usually turn out to be.

Because all of us are gullible some of the time, and some of us are gullible most of the time, some dealers aim their advertising at this human weakness. "Was \$95, now \$29.75," is the kind of claim they make. Common sense tells us that any product originally priced at \$95 and marked down to \$29.75 must have something wrong with it. But if we are gullible, we prefer to believe that we are about

to win the Irish sweepstakes. "Some people do win, and who deserves it more than I do?"

Here are some of the danger signals that a shopper should watch for.

TIPS

1. Beware of the dealer who lures you to his store with an attractive advertisement of a standard brand item and then tries to talk you into buying a higher priced off-brand article. Don't be misled by a story that he is all out of the advertised item, or that there will be a long wait for delivery, or that what he is now trying to sell you is better than the advertised article.
2. Be wary of "bargains" offered at prices which are hard to believe. Check prices of the same quality merchandise or service offered by other dealers and make sure that the advertised article is what it is claimed to be.
3. Never let a household appliance or television or radio set be taken from your home for repairs without first receiving in writing an estimate of the probable repair cost and written assurance that no additional charge will be made without your consent and that if you do not want the "extra" repairs the article will be returned to you immediately.
4. Do not allow a door-to-door salesman to leave merchandise with you on an "approval receipt" until he returns. He may not come back and you will find yourself receiving a bill for an article which you do not want.

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SPECIAL REMINDER:

DIVIDENDS MUST BE REPORTED ON U.S. INCOME TAX RETURNS

*Treasury Official Reminds Credit
Union Members That Income on
Savings Is Taxable*

During the fall of 1959 the House Ways and Means Committee undertook a series of comprehensive hearings to receive expert advice on overhauling the Internal Revenue Code. One of the important highlights of these hearings was reports by independent experts on the widespread under-reporting on individual tax forms of dividend and interest income. The extent of such under-reporting has led to demands by some Members of Congress for legislation to require *mandatory withholding* of dividend and interest income by savings institutions and other corporations. Officials of the Treasury Department have held a series of informational conferences with the leading associations of savings institutions, including CUNA, to try to work out voluntary programs to insure effective compliance with the existing tax laws regarding interest and dividend income. This is particularly important for credit unions because the tax status of credit unions has long been justified on the basis that members pay their fair tax share through tax payments on credit union dividends.

Following is a BRIDGE interview with Under Secretary of Treasury Fred W. Scribner, Jr.

Q. How serious is the problem generally of underreporting by individuals of dividend and interest income?

A. Studies made both by the Treasury Department and by outside sources indicate that a substantial gap exists between dividends and interest paid to individuals and dividends and interest payments reported by individuals on personal income tax returns.

In the interest area it has been estimated that in 1956 *less than one-half* of interest received by individuals was reported by them. These estimates indicate that individuals failed to report more than \$3 billion of interest received or credited. I refer here to all types of interest, including interest on corporate bonds, interest on deposits in commercial and savings banks and

building and loan associations, interest accrued or paid on E Bonds and other U. S. securities, and interest received from insurance companies and credit unions.

Q. What is the extent of under-reporting of credit union dividends?

A. Credit union dividends which totaled \$127 million in 1958 are only a small percentage of total interest payments. There are no specific estimates available of the under-reporting of credit

union dividends. Estimates do show that underreporting is widespread among those individuals who receive \$25 or less per year of interest income. We would expect that the under-reporting of credit union dividends would be similar to the rate of under-reporting in other areas.

Q. Why is there such substantial underreporting of dividend and interest income? What can be done about it?

A. I believe that much of the failure to report interest earned on balances in savings institutions, as well as interest received from other sources, arises through carelessness and ignorance. In the case of interest credited by savings institutions, many individuals do not withdraw such interest in the year in which it is earned and credited and apparently believe interest not withdrawn is not taxable. This is incorrect. Many savers do not even present their passbooks for crediting and so have no information on which to act. Many taxpayers do not, in fact, know how much interest they should report.

Also, there may be some misunderstanding as to just what constitutes interest income. For tax purposes credit unions and savings and loan dividends are defined as interest income and are fully taxable. No dividend exclusion or credit is applicable to such income.

By bringing clearly and forcibly to the attention of recipients of interest income their obligation to report the amount paid or credited we may be able substantially to reduce under-reporting. The alternative to failing to

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Fred W. Scribner, Jr.

SAVING ISN'T OLD FASHIONED

The best proof of this is the fact that people are saving about the same percentage of their income today as they were in 1900.

But the reasons and methods are different. It is a lot easier to save in a credit union, for instance, than it was in a bank fifty years ago, or even today in many cases.

People who can afford to save a lot usually will take the time and trouble to work out a savings plan and stick to it. But people who can only manage to save a little have trouble saving even that much unless it is made very convenient for them. They easily get the feeling that they aren't getting anywhere, that it's more bother than it's worth, that there are so many things they need they might as well buy them and forget about saving.

Credit unions have helped many people save who never saved before, just by making it convenient.

How much you save is not so important as the fact that you save regularly. Regular saving in small amounts will do more for you, nine times out of ten, than strenuous savings efforts at rare intervals.

The earlier in your life you start, the more your dividends do for you. For example, if your credit union pays a 4 percent dividend, in 10 years you can save \$3670 by putting away \$25 a month. But if you start 10 years earlier, giving yourself 20 years, your monthly saving only has to be \$10. The dividends do the extra work. You penalize yourself when you postpone saving.

Planned spending

Saving is really just planned spending, the opposite of impulse spending.

When you save, you are planning future purchases. You may save for a house, for furniture, for the children's education, or for your own happiness in the years after 65.

You're not depriving yourself of something when you save. You're guaranteeing yourself something.

It's easier to plan your future these days than it ever was before. You can get all kinds of help.

Government agencies, employers and unions are all helping people save

for the future in various ways, primarily through pension plans and similar programs.

Insurance companies offer better policies for growing families these days.

Savings and loan associations, savings banks and commercial banks are doing a better job promoting thrift than ever before.

Credit unions are usually the most convenient of any of these thrift agencies, and pay dividends averaging as good as any.

There will be more people urging you to save during 1960 than ever before, because money is tight and your dollars will be in demand. You will be offered higher interest or dividends. You will be urged to save as a way of fighting inflation.

Fighting inflation

What about inflation? Does it make saving useless?

By no means. In the United States and Canada, inflation has actually proceeded at a moderate rate compared with most European countries. A gradual price rise of 1½ percent per year means that the dollar loses that much value per year. But meanwhile a dollar invested at 3 percent is gaining faster than it is losing. A dollar buried in a hole in the ground will lose value, but a dollar placed in a credit union share account will gain.

There's a certain amount of nonsense in the talk about good old-fashioned thrift.

It's true that in the good old days, people were careful with their money in certain ways. They ate leftovers, and they darned their socks, and they often avoided borrowing.

On the other hand, they charged their groceries and they often regarded life insurance with horror as a kind of bet against God. They did not, on an average, save toward their old age any better than people do today. Most families provided for their old age by having large numbers of children, whom they expected to provide for the old folks in some way when the old folks could no longer support themselves.

What with the development of pension plans, government old age payments and modern insurance programs, old people are much better off today than they ever were before. The old-fashioned poor house has almost disappeared.

It's false romanticism about the past that creates the idea that people used to be independent, save their money, and take care of themselves in their old age. They didn't. Most of them ended up living off their children or in the poor house.

A savings program

In spite of inflation (1½ percent per year over the last sixty years) old people are better off today than ever before.

Two things should be placed first: enough insurance to protect the family against certain kinds of emergencies, and enough cash in the credit union or bank to take care of other kinds of emergencies. Death, illness, unemployment—these are the most dangerous emergencies—life insurance, medical and hospitalization insurance, half a year's pay in the credit union will take care of them.

Next comes home ownership, which is also a form of saving.

This is as much as most families can handle. Most families are underinsured and do not have enough cash in their savings accounts.

If you are one of the fortunate few who have more to save, then you can go on to investigate other kinds of savings. Real estate and common stocks are often recommended as a hedge against inflation. You may look into these, but you should remember that these are essentially a kind of betting operation. They are not a safe investment, even with expert advice. Many an expert has lost his shirt.

For a family with limited income, safety comes first.

Security is a beautiful word. Few of us want to risk our fortunes. Gambling is for the lonely and reckless, not for people who want to live a happy family life.

The feeling of security is not hard to get. You get it by saving a little more than you spend.

How your Savings GROW

IF YOU SAVE

\$1 a month

(This is a basic table; you can multiply by any number of dollars you wish to save each month and come up with the answer for any period of years up to 20.)

Years	DIVIDEND RATE					
	2½	3	3½	4	4½	5
1	\$ 12.16	\$ 12.19	\$ 12.23	\$ 12.26	\$ 12.29	\$ 12.33
2	24.63	24.76	24.89	25.02	25.15	25.28
3	37.41	37.70	37.99	38.29	38.59	38.88
4	50.52	51.04	51.57	52.10	52.64	53.18
5	63.95	64.78	65.62	66.46	67.33	68.20
6	77.72	78.93	80.16	81.41	82.69	83.98
7	91.84	93.51	95.22	96.96	98.74	100.56
8	106.32	108.54	110.81	113.14	115.53	117.98
9	121.15	124.01	126.95	129.97	133.09	136.28
10	136.36	139.96	143.66	147.48	151.44	155.50
11	151.96	156.38	160.96	165.70	170.62	175.70
12	167.94	173.30	178.87	184.66	190.68	196.92
13	184.33	190.74	197.42	204.38	211.65	219.22
14	201.13	208.70	216.62	224.90	233.58	242.65
15	218.35	227.20	236.49	246.25	256.49	267.26
16	236.01	246.27	257.07	268.46	280.46	293.11
17	254.11	265.90	278.38	291.57	305.52	320.28
18	272.67	286.14	300.43	315.61	331.72	348.82
19	291.69	306.98	323.27	340.62	359.10	378.81
20	311.19	328.46	346.91	366.64	387.74	410.31

IF YOU SAVE

\$5 a month

(For many families, this may be about all the savings that can be managed. However, it produces results that are worth while; and where the credit union matches shares with life savings insurance, the protection this gives the family is substantial.)

Years	DIVIDEND RATE					
	2½	3	3½	4	4½	5
1	\$ 60.82	\$ 60.98	\$ 61.14	\$ 61.31	\$ 61.47	\$ 61.64
2	123.16	123.80	124.44	125.09	125.74	126.39
3	187.07	188.52	189.98	191.45	192.93	194.43
4	252.60	255.20	257.83	260.49	263.18	265.91
5	319.76	323.89	328.08	332.32	336.63	341.00
6	388.62	394.66	400.80	407.06	413.42	419.90
7	459.22	467.57	476.10	484.41	493.71	502.80
8	531.58	542.68	554.05	565.70	577.65	589.89
9	605.77	620.06	634.75	649.86	665.40	681.38
10	681.83	699.78	718.31	737.43	757.15	777.52
11	759.79	781.91	804.81	828.52	853.08	878.51
12	839.72	866.52	894.37	923.30	953.37	984.62
13	921.66	953.69	987.09	1,021.91	1,058.23	1,096.11
14	1,005.66	1,043.50	1,083.08	1,124.50	1,167.86	1,213.23
15	1,091.78	1,136.01	1,182.46	1,231.41	1,282.47	1,336.29
16	1,180.06	1,231.33	1,285.35	1,342.29	1,402.30	1,465.57
17	1,270.56	1,329.53	1,391.88	1,457.83	1,527.59	1,601.40
18	1,363.33	1,430.69	1,502.16	1,578.03	1,658.58	1,744.11
19	1,458.45	1,534.91	1,616.34	1,703.09	1,795.52	1,894.04
20	1,555.95	1,642.28	1,734.55	1,833.20	1,938.70	2,051.57

IF YOU SAVE

\$50 a month

(This rate of saving becomes possible for families as their income rises to the higher brackets, whether because of one large income or several smaller. Or it may become possible at the time when the children become self-supporting and expenses are reduced.)

(These tables all assume dividends paid semi-annually and savings paid into share accounts on the first of the month or during the first few days when dividend credit is earned. Any deviation from these assumptions would change the values on the tables somewhat.)

Years	DIVIDEND RATE					
	2½	3	3½	4	4½	5
1	\$ 608.15	\$ 609.79	\$ 611.43	\$ 613.07	\$ 614.71	\$ 616.36
2	1,231.60	1,238.01	1,244.44	1,250.91	1,257.40	1,263.92
3	1,870.74	1,885.22	1,899.81	1,914.51	1,929.33	1,944.27
4	2,525.95	2,551.99	2,578.31	2,604.83	2,631.84	2,659.06
5	3,197.65	3,238.91	3,280.77	3,323.24	3,366.32	3,410.03
6	3,886.24	3,946.60	4,008.03	4,070.57	4,134.23	4,199.02
7	4,592.16	4,675.67	4,760.97	4,848.09	4,937.07	5,027.96
8	5,315.83	5,426.78	5,540.49	5,657.02	5,776.45	5,898.86
9	6,057.71	6,200.60	6,347.53	6,498.64	6,654.03	6,813.85
10	6,818.25	6,997.80	7,183.07	7,374.25	7,571.55	7,775.16
11	7,597.92	7,819.10	8,048.11	8,285.24	8,530.81	8,785.13
12	8,397.21	8,665.22	8,943.68	9,233.04	9,533.73	9,846.24
13	9,216.61	9,536.92	9,870.88	10,219.12	10,582.29	10,961.06
14	10,056.61	10,434.96	10,830.81	11,245.04	11,678.56	12,132.33
15	10,917.75	11,360.14	11,824.64	12,312.41	12,824.72	13,382.89
16	11,800.56	12,313.29	12,853.55	13,422.90	14,023.04	14,655.74
17	12,705.57	13,295.25	13,918.76	14,578.26	15,275.89	16,014.05
18	13,633.34	14,306.89	15,021.64	15,780.29	16,585.75	17,441.12
19	14,584.46	15,349.11	16,163.42	17,030.88	17,955.22	18,940.43
20	15,559.50	16,422.82	17,345.52	18,332.00	19,387.01	20,515.65

BORROWING SHOULD SAVE YOU MONEY

Borrowing can help you or it can hurt you.

For example, take your medical problems. If you need medical attention, if you need a dentist's care, it's false economy to put it off until you have the money. You should borrow the money and get the job done. Otherwise, you can be headed for real trouble, that will cost you money, health and happiness.

Likewise, it's false economy to put off buying a washing machine if your laundry bills are bigger than your washing machine payments would be. For most families, a washing machine is a method of saving money, and it's sound to borrow for one.

The same thing may be true of a sewing machine, a refrigerator, a vacuum cleaner, or a mangle. It may be true of an automobile. A lot depends on the family circumstances. For some families, appliances are essential, used constantly to save time, work and money. For other families, they may be merely display items to impress the neighbors, rarely used. But for people who need them, these things are worth borrowing for. Borrowing raises the price, but it may be worth it to have the use of the product a year or two ahead.

On the other hand, some kinds of borrowing cost more than they are worth.

People used to charge their groceries, paying for them once a month. This cost money. A store had to charge more for food, when it was handling a large number of charge accounts. The price of food has come down considerably since the development of chain stores and supermarkets, with their policy of cash only.

The same thing is true of department stores that carry large numbers of credit customers. Their prices have to be higher. Stores that sell for cash only will always underprice stores that sell for credit. If you let yourself get the habit of charging everything, you will be paying more for everything you buy.

This is especially clear in some of the new revolving credit and credit card business. If you handle all your

(Continued on page 32)

What do they charge for credit?

CREDIT UNIONS

Most charge the same standard rate; none charge more than this. Some charge less, due to different laws or procedures. A growing number make interest refunds at the end of the year; this reduces the rate.

12 percent

BANKS

Their rates vary in different parts of the country, being especially low on the east coast. Due to the tight money situation their rates are now rising. They often have extra charges, such as bookkeeping fees and late penalties. Also their rates are stated as discount rates, which makes them sound like about half the true rate. They reject a higher percentage of applications than credit unions do.

On Loans 7 to 14 percent

On charge and check credit plans 12 to 18 percent

CONSUMER FINANCE (SMALL LOAN) COMPANIES

Their rates are set by state laws, and vary from state to state.

18 to 42 percent

SALES FINANCE COMPANIES (FINANCING AUTO SALES)

You don't deal directly with these companies. The dealer does. They have a variety of rates, and the dealer is often given a choice so that he can select his own kick-back. However, in a growing number of states these rates are regulated.

New cars 12 to 15 percent

Used cars 18 to 36 percent

RETAILERS

Department stores, mail order stores, furniture and appliance dealers, jewelry stores and others have various rates, which they rarely quote. They usually just show you a table of monthly payments.

The rates of jewelry stores, credit clothing stores and certain types of low-class furniture stores run especially high—36 percent or more. Among the more respectable dealers—the department stores and mail order stores—the rates are not too bad.

On appliances 12 percent

On soft goods 18 percent

On revolving credit accounts 18 percent

The Credit Union Bridge

CREDIT UNION LEVEL PAYMENT LOAN CHART

Credit unions that charge a straight 1 percent per month on the unpaid balance sometimes use this level payment plan.

Other credit unions sometimes prefer to make a straight interest charge on the unpaid balance, so that the amount of interest goes down with each payment.

Either way, the total charge comes out the same in the end.

You can use this chart to figure the payment on any loan. Loans on the chart are given in hundreds of dollars. To find thousands, naturally you just multiply by ten. To find lesser amounts, you divide. For instance, to find the payment on \$20, you look down the \$200 column dividing by ten as you go.

It helps, when you are planning some future purchase, to have this chart around the house for reference.

NO. OF MONTHS	AMOUNT OF LOAN								
	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900
1	100.999	201.998	302.997	403.996	504.995	605.994	706.993	807.992	908.991
2	50.751	101.502	152.253	203.004	253.755	304.506	355.257	406.008	456.759
3	34.002	68.004	102.006	136.008	170.010	204.012	238.014	272.016	306.018
4	25.626	51.253	76.880	102.512	128.140	153.768	179.396	205.024	230.652
5	20.604	41.208	61.812	82.416	103.020	123.624	144.228	164.832	185.436
6	17.256	34.510	51.765	69.020	86.275	103.530	120.785	138.040	155.295
7	14.863	29.726	44.589	59.452	74.315	89.178	104.041	118.904	133.767
8	13.069	26.138	39.207	52.276	65.345	78.414	91.483	104.552	117.621
9	11.874	23.448	35.022	46.896	58.370	70.044	81.718	93.392	105.066
10	10.558	21.116	31.674	42.232	52.790	63.348	73.906	84.464	95.022
11	9.445	19.291	28.936	38.582	48.227	57.872	67.518	77.163	86.809
12	8.486	17.770	26.655	35.540	44.425	53.909	62.194	71.079	79.964
13	7.642	16.483	24.725	32.966	41.288	49.449	57.891	65.932	74.174
14	6.900	15.380	23.070	30.760	38.461	46.141	53.831	61.521	69.211
15	6.212	14.425	21.637	28.860	36.062	43.274	50.487	57.890	64.912
16	5.576	13.589	20.384	27.178	33.973	40.767	47.562	54.356	61.151
17	4.986	12.862	19.277	25.703	32.129	38.555	44.981	51.406	57.832
18	4.437	12.196	18.295	24.393	30.491	36.589	42.687	48.786	54.884
19	3.925	11.610	17.416	23.221	28.926	34.831	40.636	46.442	52.247
20	3.442	11.083	16.625	22.166	27.708	33.249	38.791	44.332	49.874
21	3.000	10.606	15.909	21.212	26.516	31.819	37.122	42.425	47.728
22	2.606	10.173	15.259	20.346	25.432	30.519	35.605	40.691	45.778
23	2.258	9.777	14.666	19.554	24.443	29.332	34.220	39.109	43.997
24	1.950	9.415	14.122	18.829	23.537	28.244	32.951	37.659	42.366
25	1.681	9.081	13.622	18.163	22.704	27.244	31.786	36.326	40.866
26	1.437	8.774	13.161	17.548	21.935	26.321	30.708	35.096	39.482
27	1.245	8.489	12.734	16.978	21.223	25.468	29.712	33.957	38.201
28	1.112	8.225	12.337	16.450	20.662	24.674	28.787	32.899	37.012
29	0.999	7.977	11.969	15.958	19.949	23.937	27.927	31.916	35.906
30	0.876	7.750	11.624	15.499	19.374	23.249	27.124	30.988	34.873
31	0.768	7.535	11.303	15.070	18.838	22.606	26.373	30.141	33.909
32	0.673	7.334	11.001	14.669	18.336	22.003	25.670	29.337	33.004
33	0.593	7.145	10.718	14.291	17.864	21.436	25.009	28.582	32.164
34	0.524	6.968	10.452	13.936	17.420	20.904	24.388	27.872	31.356
35	0.465	6.801	10.201	13.602	17.002	20.402	23.803	27.293	30.584
36	0.415	6.643	9.964	13.286	16.607	19.928	23.250	26.751	29.853
37	0.372	6.494	9.740	12.987	16.234	19.481	22.728	26.274	29.221
38	0.336	6.352	9.528	12.704	15.891	19.057	22.233	25.809	28.685
39	0.305	6.218	9.328	12.437	15.546	18.655	21.764	25.374	28.147
40	0.278	6.091	9.137	12.182	15.225	18.274	21.319	24.966	27.610
41	0.254	5.970	8.955	11.940	14.925	17.911	20.896	24.581	27.093
42	0.232	5.855	8.783	11.710	14.638	17.566	20.493	24.221	26.586
43	0.212	5.745	8.618	11.491	14.364	17.236	20.109	23.882	26.100
44	0.194	5.641	8.461	11.282	14.102	16.922	19.743	23.503	25.634
45	0.178	5.541	8.312	11.082	13.853	16.623	19.394	23.144	25.186
46	0.163	5.446	8.168	10.891	13.617	16.337	19.060	22.802	24.756
47	0.149	5.354	8.031	10.708	13.398	16.063	18.740	22.477	24.344
48	0.136	5.267	7.900	10.534	13.167	15.800	18.434	22.167	23.941
49	0.124	5.183	7.775	10.366	12.959	15.549	18.141	21.872	23.554
50	0.113	5.103	7.654	10.205	12.757	15.308	17.859	21.593	23.182
51	0.103	5.025	7.538	10.051	12.564	15.076	17.589	21.334	22.824
52	0.094	4.951	7.427	9.902	12.378	14.854	17.329	21.085	22.480
53	0.086	4.880	7.320	9.760	12.200	14.640	17.080	20.846	22.150
54	0.079	4.811	7.217	9.623	12.029	14.434	16.840	20.616	21.831
55	0.073	4.745	7.118	9.490	11.863	14.236	16.608	20.391	21.523
56	0.067	4.682	7.022	9.363	11.704	14.045	16.386	20.179	21.226
57	0.062	4.621	6.931	9.241	11.551	13.861	16.171	19.971	20.940
58	0.057	4.561	6.842	9.122	11.409	13.684	15.964	19.766	20.664
59	0.052	4.504	6.756	9.008	11.280	13.512	15.764	19.564	20.398
60	0.048	4.449	6.673	8.898	11.122	13.346	15.571	19.366	20.146

How your credit union works

ON the page opposite, there is a questionnaire for credit union members to fill out and turn in to the credit union.

It asks a number of questions about your plans for 1960. You may not be able to answer these questions with 100 percent certainty. Don't let this bother you. Fill them out with reasonably good guesses, and they will be helpful.

You see, your credit union has some unusual problems. Planning for the coming year is not easy in most credit unions. A credit union is not just an ordinary business operation. It is really a kind of service club. It is a membership organization. It has to operate on sound business principles in order to protect the money of the members, but its main purpose is not to collect maximum income but to give maximum service.

How much service the members will need or want during 1960 is not easy to estimate, but it is useful to have some idea how many of them will be buying cars or repairing their homes during the year. It is helpful to know how many will be getting married, having babies, or going on trips. Of course it is true that the totals won't be accurate; nobody knows for sure how he is going to spend his money during the next twelve months. But mistakes will cancel out to some extent, and if a similar survey is made each year, the yearly totals can be compared with others for a fairly accurate forecast.

Your credit union is not like a bank. Most banks serve a broad cross-section of the community. Most credit unions serve limited groups of employees, whose prosperity during any given year will go up and down together. Hence the officers of your credit union have to know how your group is likely to do during the year. If your industry is booming, you will all feel optimistic and probably buy more. If your industry is slow, you will feel more cautious and buy less. Loan demand in employee credit unions may vary a good deal over a period of two or three years. This means the officers may have to plan other investments, which should pay

as well as possible but also should be safe and liquid. It's important, in planning investments, to have some idea what plans the members are making.

If all this information seems unimportant or uninteresting to you, it shouldn't. To make good use of your credit union, you should know how it works. Also one of these days, it is quite possible somebody will ask you to serve on a committee or on the board. It's to be hoped you will say yes.

If you do serve, you will discover some interesting things. You will learn how important it is to use common sense in money matters . . . how with just a little effort a sizable number of the members are making steady gains in saving . . . how by the intelligent use of credit many members are living better than the grandfathers would have thought possible . . . how emergencies can strike anybody . . . and how lucky people are to have credit union service when they need it.

A good year

Last year was a good year for credit unions.

As the recession ended, loans grew rapidly. Credit union membership increased. The steel strike hurt some members, but their credit unions stood by with ready help when they wanted to borrow.

In Michigan, when the state employees went without pay one pay-day, their credit unions made them loans without interest.

Toward the end of the year, as consumer credit reached toward new highs, there was talk of credit controls—meaning tougher requirements on down payments for new cars and appliances. However, credit unions through their spokesmen have consistently opposed controls, believing the average borrower handles his credit well enough. To help credit unions with cash shortages, the president of CUNA proposed an interlending program in October.

In May, the credit union movement celebrated the fiftieth anniversary of the passage of the Massachusetts Credit Union Act, first such law in

the United States. Also, the 25th anniversary of the establishment of the Credit Union National Association was celebrated, and the 25th anniversary of the passage of the Federal Credit Union Act.

In September, the Federal Credit Union Act was broadly revised, permitting higher signature loans (up to \$750) and longer repayment periods (up to 5 years). Other changes improved operating methods and made quicker action on membership and loan applications possible.

In May, Julius Stone, a credit union veteran from Boston, Mass., was elected president of the Credit Union National Association. Lauren Plummer, of Kansas City, was elected 1st vice president. Secretary and treasurer were James W. Grant of Washington and Irett Ferris of Detroit.

On Credit Union Day, October 6, President Eisenhower sent greetings, saying, "It is a pleasure to join in the annual observance . . . I am delighted to send my greetings." John Diefenbaker, Prime Minister of Canada, wired, "My sincere good wishes to all for the future and for your efforts to build better lives . . ."

Important steps forward were taken by many credit union leagues toward a strong stabilization program, the goal of which is to protect the savings of members of credit unions closed down or threatened by economic reverses. At least a dozen leagues in the United States and Canada now have stabilization programs in operation, and an international reserve fund under CUNA auspices has been approved in principle. The details will probably be worked out by May, 1960, when the next CUNA annual meeting convenes.

State and provincial legislatures enacted a large volume of new credit union law during 1959. Higher loan limits were authorized by several, loan officers were authorized in some areas, and a trend began to show up toward higher examination fees, better examinations and separate credit union examining agencies in state governments. This could be of great benefit to members.

MY PLANS FOR 1960

Please answer the questions below, tear out this page, and turn it in to the officers of your credit union.

It will help them plan the credit union's program for the coming year.

Even if you can answer only a few of the questions, the information you give will be helpful. Don't sign if you don't want to.

(Note to credit union officers. If you don't have enough copies of this issue of The Bridge to distribute this questionnaire to all your members, please feel free to duplicate it and distribute it in any way you wish.)

QUESTIONS FOR MEMBERS *(check answers with pencil or ball-point pen):*

1. Do you plan to buy a car this year? Yes..... No..... New..... Used.....
2. When did you last buy a car? Year..... Model.....
3. When you buy your next car, do you expect to finance part of the price? Yes..... No.....
How much? \$.....
4. Do you plan to finance through your credit union? Yes..... No.....
Reason?
5. Do you plan to buy any appliances this year? Refrigerator?..... Washing machine?.....
TV set?..... Freezer?..... Hi fi?..... Vacuum cleaner?..... Sewing machine?..... Furni-
ture?.....
6. Do you plan any important home repairs? Painting?.....Plumbing?.....Wiring?.....
Heating?..... Storms, screens?..... Airconditioning?.....
7. Do you plan any other big purchases? Boat?..... Trailer?..... Other?.....
8. Are you expecting any big new developments in your family life? Marriage?.....
Baby?..... Other?.....
9. If you ran into a long illness or layoff, would you be able to handle your present debts
all right? Yes..... No.....
10. Do you expect to save more this year than last? Yes..... No.....
11. How many methods of saving are you using now? Credit union?..... Bank?..... Sav-
ings and loan?..... Government bonds?..... Stocks and bonds of corporations?.....
Insurance?..... Mutual funds?.....

(Your answers to these questions will help the officers of your credit union decide whether the present credit union policies serve the members' needs as fully as possible.)

Sign here if you wish.....

THANKS!

**FROM THE
MANAGING
DIRECTOR:**



ANNUAL MEETINGS—ELECTING OFFICIALS

MORE credit unions hold their annual meetings in January than in any other month of the year. One of the most important events of the annual meeting is the election of directors and committeemen. These are the people to whom the affairs of the credit union will be entrusted until the time of the next annual meeting.

Is enough thought being given to these elections? Are credit unions choosing the best men and women to take these responsible positions? In most cases the answer is obviously "yes"—but not in all cases.

Planning for the election

What steps does your credit union take to insure good candidates? Do you have a nominating committee that gives careful thought to qualifications, time available and willingness to be a candidate and serve if elected? And is the nominating committee itself well balanced and willing to take responsibility for its work?

Is some thought given at the annual meeting or in preparation for it to showing attendance records of incumbents at meetings of their respective boards and committees—and at chapter and league affairs they should also attend? Is some thought given to keeping the best of the experienced officers, but still letting some new blood into the credit union leadership? Is there thought given to a balance of groups in the credit union—different shops, different geographic areas, etc.? Are there borrowers as well as non-borrowers on the board and committees?

Responsibilities—not honors

It is a compliment to a person to be elected to office by his or her credit union—but primarily it is a responsibility being given! Unless the person elected is willing to assume the responsibility of the office, the credit union will be operating short-handed until another election puts a willing worker into that office.

There is a large element of trusteeship in being on the board or a committee of the credit union, for that credit union is handling the money of its members. All elected officials should be fully aware of that trusteeship. It is a trusteeship not just to preserve the savings of the members, but to use those savings on loans to members for the greatest possible service of the credit union to all members. This requires leadership and ideas and action.

We must elect only qualified people to credit union office!

Annual meetings—democracy in action

There is no business organization more democratic than a credit union. Every member has one vote and only one vote. Every member is eligible to serve in any elected position of the credit union. But like all democratic organizations, thought and planning must be given here to make democracy function. Without thought and planning ahead of time for elections, the situation can be chaos—and that's not democracy!

H. Vance Austin

TAX REPORTS

(Continued from page 17)

solve this problem on a voluntary basis could be the proposal of legislation intended to make more certain the proper reporting of interest due. Such legislation might well call for withholding.

Q. What action is the Treasury Department taking to inform taxpayers of the taxability of dividend and interest income?

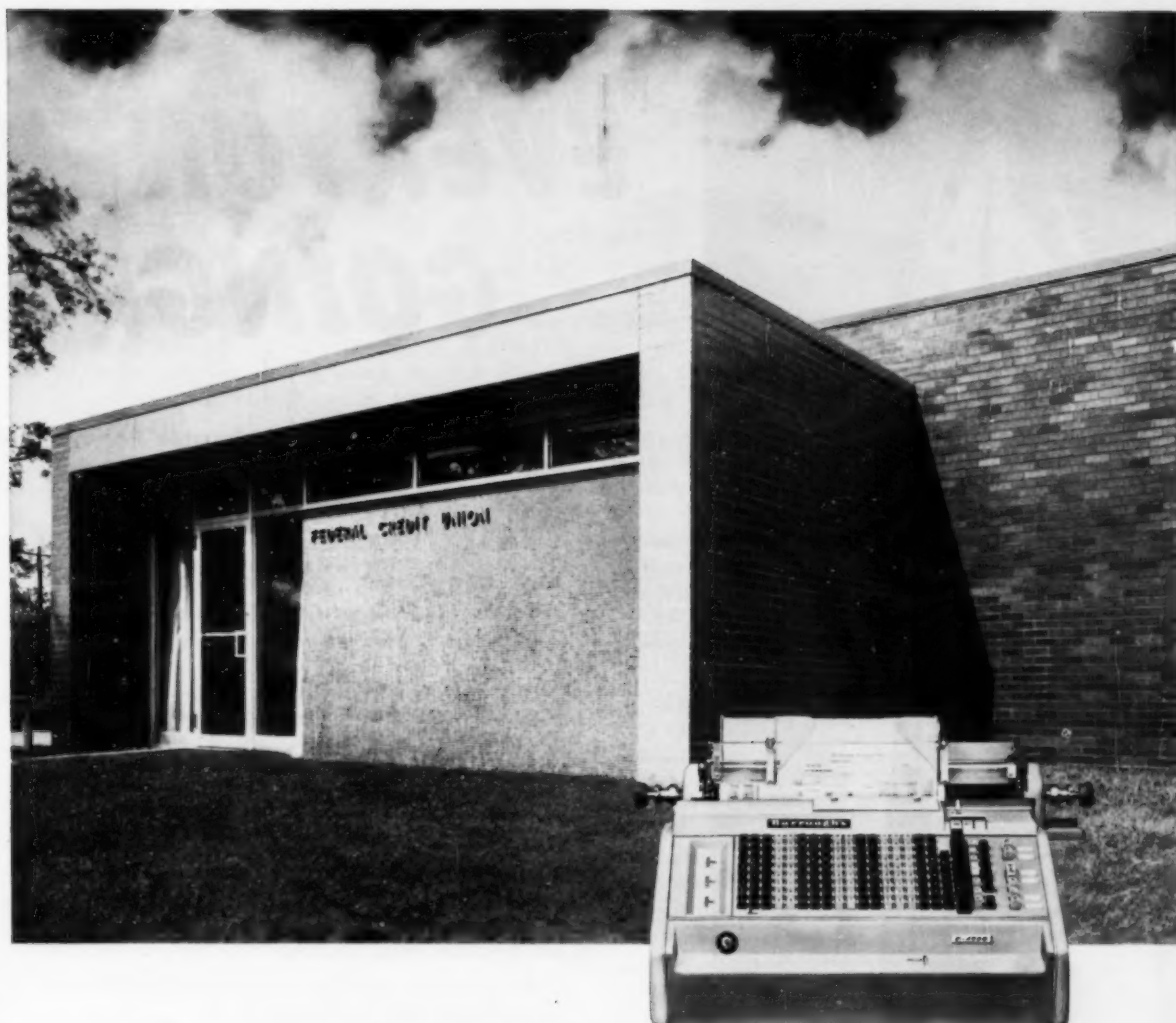
A. In our attempt to educate the taxpayers and to handle this matter on a voluntary basis, we have made changes in the 1959 tax forms and instructions to emphasize the necessity of reporting all dividends received and interest received or credited. Recent speeches by Treasury officials have called attention to this problem. Our new taxpayer information kit, available in all Internal Revenue Service district and field offices for placement with newspapers, radio and television stations, industrial house organs, etc., will further call to the attention of taxpayers the necessity of properly reporting dividend and interest income.

Q. How can credit unions help inform their members?

A. First of all, let me thank CUNA for its fine cooperation with the Treasury Department. The Treasury Department has the responsibility to carry out to the best of its ability the tax laws of the United States. Under our present voluntary compliance system for collecting dividend and interest income we need the suggestions and assistance of all responsible financial institutions. I'm very pleased that CUNA has undertaken a program to educate credit union members about these matters in cooperation with the Treasury Department. Of course, the effectiveness of this educational program depends on the efforts of your state leagues and the thousands of individual credit unions and ultimately their members.

An effective method of attacking this revenue gap under the present tax laws is for each savings institution to make sure that their savers receive at year-end a notice stating that interest and dividends, whether paid to the taxpayer or credited to his account, are

(Continued on page 28)



BURROUGHS ELECTRONIC ACCOUNTING MACHINE CUTS TRIAL BALANCE TIME IN HALF

The scene: Humble Employees Baytown Texas Federal Credit Union (Humble Oil and Refining Co.). **The job:** Cash-plan accounting for 5,200 members; accounting for 3,000 loans. **The equipment:** The new Burroughs F-4224 Electronic Accounting Machine. **The results,** in the words of Manager Wilfred S. MacKinnon: "The electronic features of this equipment provide us with greater operational efficiency. For example, we run our trial balance in only 11 hours instead of the 22 previously required. I now have far more time for policy matters, administrative duties, promotion activities."



Wilfred S. MacKinnon
Manager

Burroughs—TM

Humble's is one of many credit unions helped to new accounting efficiency by Burroughs office automation equipment. For details, action—and results—call our nearby branch now. Or write Burroughs Corporation, Burroughs Division, Detroit 32, Michigan.



**Burroughs
Corporation**

"NEW DIMENSIONS / in electronics and data processing systems"



EVERYONE'S GOING!

. . . to attend their 1960 chapter Policyowners' Representative meeting. It's there that they —

- . . . learn how to get maximum benefits for their members through CUNA Mutual insurance services.**
- . . . obtain a copy of the new and up-to-date manual on CUNA Mutual's services and programs.**
- . . . participate in workshop sessions where they will review insurance contracts and work on some sample claims.**
- . . . see the new 1960 filmstrip "The Scrapbook", the sad story of Oswald Dogood who learns the hard way what a credit union really is.**
- . . . receive answers on any questions they may have about CUNA Mutual and give their ideas and suggestions on how the Society can serve you better.**

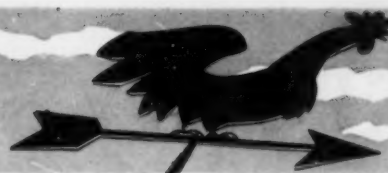
Don't miss out — make sure your credit union, as a CUNA Mutual policyowner, is represented at your chapter meeting.



CUNA MUTUAL INSURANCE SOCIETY

Madison, Wisconsin Hamilton, Ontario

in the NEWS



A special meeting of the CUNA executive committee was called by president Julius Stone for December 12, to discuss the announcement made November 13 by the CUNA Mutual Insurance Society that it would establish a stock company for writing various kinds of casualty insurance.

The announcement of the new casualty company conflicts with the plans of CUNA to set up a similar company, Stone told the CUNA Mutual board at its November meeting. The directors of CUNA at the annual meeting in May instructed the insurance services committee to study the establishment of a bonding company, he pointed out, and the executive committee agreed in August that the committee should proceed on the assumption that a bonding company could be set up successfully only in association with a casualty operation. Such a major decision should be made only through democratic discussion, Stone argued.

Two league boards—Nebraska and Missouri—voted in late November to request that CUNA Mutual postpone action until after the next May meeting of the CUNA directors.

CUNA Mutual executives explained that **increasing competition** has led to the decision to set up a new company. C. F. Eikel, Jr., managing director of the company, told his board November 13 that he has been studying the matter for two years and believes the company must go into the casualty field to protect its own interests. The following week, the company mailed postcard ballots to all policyholders asking for an expression of opinion.

In cooperation with the **United States Treasury Department** which is currently concerned over unreported dividend income on tax returns, CUNA has developed a leaflet called "Your Federal Income Taxes," which tells credit union members how to handle dividend payments and interest refunds on income tax returns. See interview, page 17.

Paul Roberts, managing director of the Missouri Credit Union League, will take a five-month leave of absence beginning January 1, then return to work as a special consultant to the League. **Robert Hood** has been named acting managing director. The Alabama, Alberta and Manitoba

Leagues are looking for field men. The Connecticut League is looking for an educational director. **Don Neal** has joined the Oklahoma League field staff.

Twenty-five leagues sent 75 representatives to a conference on **stabilization programs** sponsored by CUNA in New York City during the week of November 8. Proposals for an international reserve fund to back up league stabilization programs were approved in principle. Meanwhile, the **New Hampshire Credit Union League** has paid \$353 to enable a liquidated credit union in a closed International Shoe Company plant to pay off its shareholders in full.

The Mason Bill, a perennial legislative effort to apply heavier income taxes to mutual financial institutions, has been studied by the board of directors of the U. S. Chamber of Commerce, after the Chamber's committees on taxation and finance have come up with conflicting recommendations. The Chamber's board has voted to maintain neutrality toward this legislation, which in its present form would affect savings and loan associations and mutual savings banks but not credit unions.

Meanwhile, the **tax studies** of the House Ways and Means Committee have proceeded at a steady pace. Financial writers offer varied guesses on what will emerge: some say more taxes on institutions now tax exempt, some say general tax reduction. It's really too early for accurate predictions.

The Department of World Mission of the **Lutheran World Federation** has begun promoting credit union work among 600 missionaries in Africa and Asia. Credit union material will be distributed to these people on a regular basis. Sophia University in **Tokyo** will offer a seminar on credit unions next year, according to present plans.

Allan S. Fowler, found guilty of embezzling \$2,382 from the Detroit Telephone Employees Credit Union, has been sentenced to prison for a term of 3 to 10 years. He is appealing. **Oliver W. Bauer**, former manager of a parish credit union in Cleveland, has been given six months probation for falsifying delinquent accounts; he was not found guilty of theft.

3 WAYS

you can help protect your credit union savings



COOPERATE WHEN ACCOUNTS ARE BEING VERIFIED

When you are asked to verify your passbook totals, do it promptly. You'll be helping your supervisory or examining committee do a more thorough job. Publicize the audit among the entire field of membership.



ATTEND THE ANNUAL MEETING



The annual membership meeting is your opportunity to help guide the future of your credit union. Listen to the discussions and reports. Vote for well qualified board and committee members.



SERVE EFFICIENTLY IF YOU ARE ELECTED OR APPOINTED

Keep your responsibilities and duties in mind if you are elected to an official position or appointed to a committee. Your selection indicates a trust and confidence in your ability, judgment, and leadership.



As a credit union member, you're one of the owners—so it's your responsibility to help prevent losses.

Effective internal control and good examinations, together with adequate bond coverage, can protect your savings against the hazards most common to credit union operation.

Through CUNA Bonding Service, credit unions may obtain a maximum amount of bonding protection at a minimum cost. "Maximum" Blanket Bond No. 576 provides a limit equal to the total assets of the credit union up to \$1,000,000 (or \$2,000,000 optional coverage if total assets are \$1,000,001 or more).



CUNA Insurance Services
BONDING

MADISON, WISCONSIN • HAMILTON, ONTARIO

TAX REPORTS

(Continued from page 24)

reportable on the taxpayer's individual tax return.

As an aid in this program we have prepared such a reminder notice, (Document 5219), which can be requisitioned from the District Director of Internal Revenue. I understand that your credit union supply affiliate has suitable notices available for distribution to credit union members.

Of course the most effective step would be to include in the reminder notice the total amount of interest or dividends paid or credited to the particular deposit or share account with the suggestion that this record be retained for use in preparing individual tax returns.

Credit unions have periodic mailings to their members. A separate mailing would probably achieve the best results, but informational material could be inserted in any regular distribution to credit union members. Regardless of the type of notice used, for maximum effectiveness notices should be distributed to members as early during the filing period as possible.

Also, I should think that the annual meetings of credit union members would provide an excellent opportunity to fully inform shareholders.


Q. Where should interest and dividend income be entered on individual tax forms?

A. There are three individual tax forms: the short form 1040A, the middle form 1040W, which is completely new this year, and the regular 1040 long form. We have high-lighted on each of these forms this year entries for dividends and interest.

On the short form 1040A, dividends and interest are to be reported on line 6, which has been changed to read "Interest, dividends, and other wages".

On form 1040W, dividends are to be reported on line 5 (a) and interest on line 5 (b).

And on form 1040, dividends and interest are to be listed on page 3 and totaled on page 1, line 10.

Suggestions from  the credit union mail order company

do more with your advertising dollar!

HOW TO PLAN YOUR PROMOTION

First, decide what you want to accomplish during the months ahead, then estimate what it will cost. Set your advertising program up as a budget item. Estimate how much you can spend for the entire program, then adjust your plans accordingly.

Many growing credit unions consider 2% to 5% of gross income a good budget total.

Set up a 12-month schedule and enter the items you plan to distribute each month. Materials to consider include letters (on your own letterhead), stuffers, and other items you will prepare yourself; stock literature, available from CUNA Supply Cooperative; and "custom" materials which are prepared especially for you. Set up your own mailing "deadlines," then stick to them.



HOW TO ORDER STOCK MATERIALS

Before you order any promotional materials, review your main objectives. Do you want to build savings, increase loan volume, attract new members, or explain services more clearly?

If one job stands out, concentrate on it, then select promotional materials accordingly.

Order a quantity large enough to last at least three months. In this way, you'll have materials on hand when you need them, and you'll save on shipping costs. If you want stock literature imprinted, be sure to give complete instructions.

Fill out your order form completely to save time and money. Type or print the complete name of your credit union; the street address and post office box number; the city, zone, and state; your name and title; your order number, quantity, form number, and description; and method of shipment if other than regular surface carrier.



HOW TO SAVE ON SHIPPING CHARGES

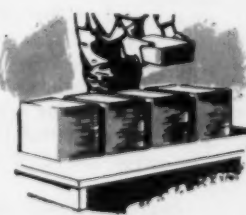
Combine your order for promotional materials with an order for regular office forms and supplies. It will help you cut postage costs.

If your shipment will weigh more than 50 pounds, you can save money by planning ahead and authorizing freight shipment. Freight rates are based on units of 100 pounds. Freight shipments travel more slowly than parcel post or express; however, freight shipping time rarely, if ever, exceeds three weeks.

Orders which will normally be shipped by express (those weighing between 21 pounds and 35 pounds) should always include the street address. This assures prompt delivery, and avoids payment of a surcharge fee which the express agency charges if the parcel is addressed to a post office box only.

Consult your CUNA Supply catalog for materials available, and order from your League Supply Department.

If your league does not have a supply department, order from:



CUNA SUPPLY COOPERATIVE

BOX 333, MADISON, WIS. • BOX 800, HAMILTON, ONT.



BARGAINS

(Continued from page 16)

5. **Never let yourself be rushed into buying anything by flowery sales talk or persuasion that it is a "last chance" to get in on a "good thing." Take your time and make up your mind carefully.**
6. If you find that the article is not the same as you ordered, don't use it, but immediately notify the seller. If a finance company is involved, and your complaint is not satisfied, inform the fi-
7. *Try to get a written guarantee whenever possible, and make sure that you understand what it says and that it protects your rights. Be sure that installations of appliances and such furnish-*

nance company of your complaint within 10 days after you receive the notice which it is required to give you. This is important, because if you fail to do so you may lose valuable rights and find yourself obliged to pay for something you don't want.

8. If you buy on the installment plan through a dealer, remember that if you fall behind in your time payments, the organization to which you are in debt usually has a legal right to repossess your purchase and sell it for whatever it will bring to meet part or all of your remaining indebtedness. Some times this includes everything you have bought from that store even though your debt may be small.
9. **Read contracts carefully before signing, especially the fine print. Demand and get an exact copy of the contract for yourself. Never sign a blank contract, no matter what the dealer tells you.**
10. *If you have any doubt about a dealer, check with the Attorney General's office, Better Business Bureau in your area, your local Chamber of Commerce, or some other community organization which protects the consumer and the legitimate business man.*



Speedposting

for
CREDIT UNIONS

SPEEDPOSTING is a hand-written, carbon method which posts the Passbook or Quarterly Statement, Individual Share and Loan Ledger and Cash and Journal Record simultaneously. A faster, easier way to keep Credit Union records, with all the advantages of machine bookkeeping at a fraction of the cost. Designed and created by experienced Credit Union men for Credit Unions and approved by the Bureau of Federal Credit Unions.

The major source of clerical error, copying or transcribing of entries is completely eliminated. Proof of the Cash and Journal record automatically proves the accuracy of the other records. All records are current to the minute—no lag between posting of various records. All posting is completed, balanced and proved at the end of the day.

Due to the low cost of the Accounting Board an extra, or spare, can be kept on hand for peak load periods. And for window or counter posting no other method or device can match the speed and ease of operation—not even machines.

SPEEDPOSTING cuts posting and bookkeeping time in half. It does the whole job quickly, easily, accurately. Among other hand-written systems it ranks with the highest in efficiency and the lowest in cost.

Write for brochure.

LEO B. SELDEN

322 Rio Vista Court, Tampa 4, Florida

YOUR HEALTH

(Continued from page 14)

smallpox vaccination every five years. By having a periodic tetanus immunization you can save yourself the discomfort of an emergency shot which frequently causes a reaction resulting in unnecessary discomfort and time lost from work.

When shopping for medicine, look for the symbols USP (United States Pharmacopeia) and NF (National Formulary). These assure you of absolute conformity in strength and quality. NF is more apt to appear on pharmaceuticals which, though still useful and accepted, have been replaced by newer preparations. Regardless of the price, any aspirin labeled "5 gr. USP" is as good as any other aspirin.

Insurance to provide medical care should be designed to take care of the big bills, not the small ones. If you can afford both kinds, that's fine, but look into the type that is called catastrophe or major medical.

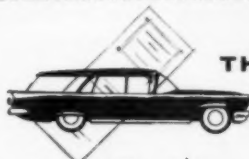
5 coverages

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CREDIT UNION NEEDS!



CUNA BONDING SERVICE

assists credit unions in obtaining the most comprehensive bonding protection available for credit unions today. A maximum amount of bonding protection is provided at a minimum cost. This bond meets, and in most instances greatly exceeds, the requirements of supervisory authorities. Improvement of existing bond coverage is a continuing function of this service.



THE CUNA AUTO INSURANCE PROGRAM

aids credit unions in counselling their members on auto insurance needs. It helps them finance car purchases for their members, and makes available adequate insurance protection at a reasonable cost. This coordinated plan also provides a reliable nationwide claim service, and special protection features. In effect, it is a "one stop" package auto loan service. Savings are returned to members in the form of dividends, based on premiums paid.

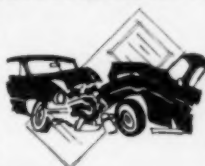
To obtain complete information on Credit Union Insurance Protection, write to:



CHattel LIEN NON- FILING INSURANCE

is designed to relieve busy credit union treasurers from the inconvenience of recording chattel mortgages, while still providing the credit union with the protection that filing offers. It is desirable, too, because:

- It honors the privacy of your borrowers by keeping their names from becoming a matter of public record.
- In most areas it costs no more—and frequently less—than the actual recording of the line instruments.



THE GROUP ACCIDENT POLICY

for voluntary directors and committeemen protects them in the event of accident during the performance of the official duties of their office. A master contract issued to the Credit Union National Association, Inc., provides the coverage. The policy pays up to \$1,000 in medical expenses for any one accidental injury, and pays scheduled amounts up to \$8,000 for accidental death, dismemberment, and loss of sight.



GENERAL LIABILITY INSURANCE

covers most hazards except Workmen's Compensation Insurance. Coverage includes bodily injury sustained on any premises owned, leased, or occupied by the league or credit union, and products liability if the credit union or league serves refreshments. Nonownership automobile coverage, which protects the credit union or league if an employee is found negligent or liable in an automobile accident while conducting credit union business, is also available.

A CONTINUING PROGRAM OF RESEARCH conducted by the CUNA Insurance Services Department improves existing services and helps develop new ones.

CUNA Insurance SERVICES DEPARTMENT

MADISON, WIS. • HAMILTON, ONT.

UNDERWRITTEN BY EMPLOYERS MUTUALS OF WAUSAU



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Write for attractive samples and low prices today! We will gladly design a special Coin Card to meet your specific requirements! Phone or mail coupon now!

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COMING EVENTS

January 30-31—**Utah** State Credit Union League annual meeting, University of Utah, Salt Lake City.

February 18-20—**Credit Union League of Manitoba** annual meeting, Marlborough Hotel, Winnipeg.

February 20-21—**Eleventh District** meeting, Sheraton-Biltmore Hotel, Providence, Rhode Island.

February 23-24—**Saskatchewan** Credit Union League annual meeting, Bessborough Hotel, Saskatoon.

March 3-5—**Ontario** Credit Union League annual meeting, Royal York Hotel, Toronto.

March 4-5—**North Dakota** Credit Union League annual meeting, Memorial Building, Jamestown.

March 11-12—**Connecticut** Credit Union League annual meeting, Hotel Statler, Hartford.

March 11-12—**Ninth District** meeting, Columbia, South Carolina.

March 12—**Fifth District** meeting, Rice Hotel, Houston, Texas.

March 12—**Seventh District** meeting, Detroit, Michigan.

BORROWING

(Continued from page 20)

department store purchases through a revolving credit plan, you will pay 12 or 18 percent a year for the privilege. Do you really want to add 12 to 18 percent to the price of everything you buy?

Your credit is a precious thing. If you use it right, it will help you a lot. We all realize that there wouldn't be half so many cars on the road if it weren't for installment credit. People wouldn't be able to marry so early, buy homes so young and furnish their homes so well, if it weren't for credit.

But we all know, too, that many families are going too deep into debt. An illness or seasonal layoff can make it impossible to keep up with the monthly payments, and then the grief begins.

Most people use their credit wisely. At least they manage to keep their payments up and avoid the bankruptcy courts, and when their bills are paid they have something to show for them. No doubt, most people make mistakes along the line; that's to be expected. The main thing is to use your credit sensibly, so that your mistakes will be small ones.

HOUSING

(Continued from page 13)

and extent of work; when to be done or completed; areas; extras; description of mate-

rials such as quality, name, grade, weight, color, style, etc.; total costs; finance charges, etc.

10. Is the contract completely filled in, have you read it and do you understand it completely before signing and are you to be given a complete, readable copy signed by the salesman of the company?
11. Does the salesman try to high pressure you into signing a contract?
12. Has the company or salesman represented that your home would be used for advertising purposes, as a model job, or show house, or by display of their sign, and that for this you would be given a special price?
13. Has it been represented that F.H.A. has anything to do with performance of the job, other than merely insuring the loan granted by your bank?
14. Are you asked to pay in advance, or to pay cash to a salesman instead of by check or money order to the company itself?
15. Are you asked to sign a completion certificate for the job by appeal, threat or trick before the job is properly completed?

CLASSIFIED

POSITION OPEN: We're seeking man or woman with credit union background for outstanding opportunity with worldwide investment firm. For particulars, write Box A63.

WANTED: Assistant manager by large mid-west credit union, college graduate, some experience accounting and in credit union. Give full details. Salary open in \$4500 to \$6700 range. Write Box A64.

POSITION WANTED: Treasurer-manager, fulltime. Two years experience in credit union now \$400,000 assets. New England preferred, other locations considered. Write Box A65.

POSITION OPEN: educational-promotion director for Connecticut Credit Union League. Salary open. Write Leonard R. Nixon, managing director, Box 98, Kensington, Conn.

BOUND VOLUMES of the Credit Union Bridge for 1959 are now available, at \$4.50 each. Valuable for reference, fully indexed at back of December issue. A few bound volumes for earlier years are also available: 1948, 1949, 1951, 1952, 1955, 1956, 1957 and 1958. Order from The Credit Union Bridge, Box 431, Madison 1, Wis.

POSITION WANTED: Manager or treasurer of large credit union. Extensive experience, record of growth. Write Box A-66.

MANAGING DIRECTOR WANTED: Missouri credit union league seeks managing director, fully qualified. Salary open. Write to R. E. McLeod (league president), 2500 Hampton Ave., St. Louis 10, Mo.

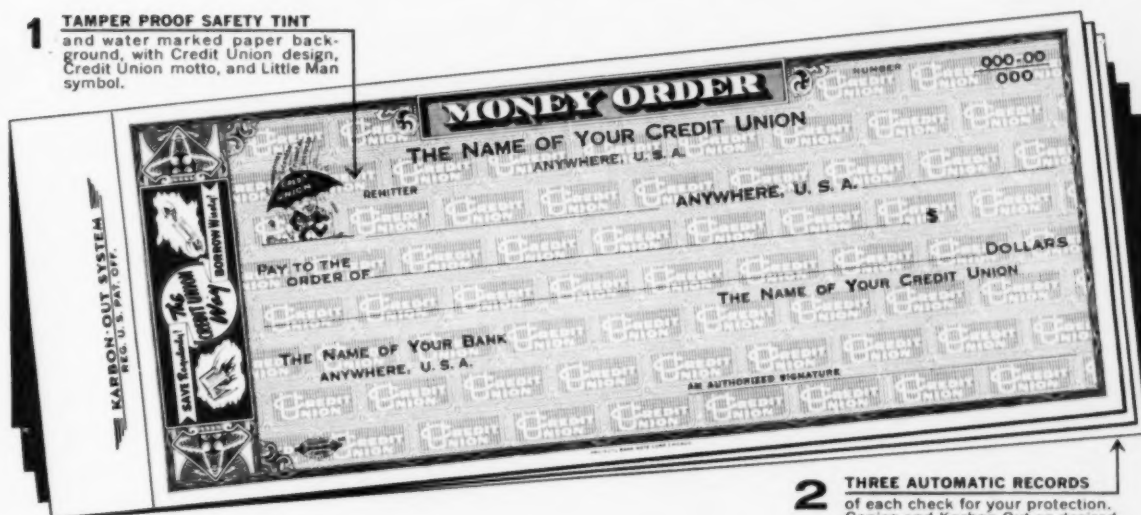
In writing to advertisers use box numbers, send letters care of The Credit Union Bridge, Madison, Wis.

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A Valued Service to your Members

The provision which permits all Federal Credit Unions to sell negotiable checks and money orders to members, and to cash checks and money orders for a fee.

- 1 TAMPER PROOF SAFETY TINT**
and water marked paper background, with Credit Union design, Credit Union motto, and Little Man symbol.



- 2 THREE AUTOMATIC RECORDS**
of each check for your protection. Copies and Karbon-Out as desired.

PERSONALIZED with the names of your CREDIT UNION
and its designated BANK, including UNION LABEL

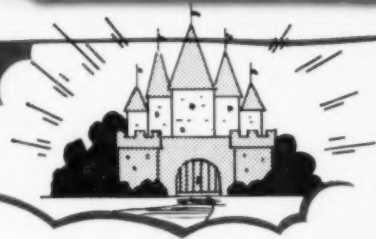
**Compare the TAILORED SAFETY FEATURES of this
Credit Union Voucher and Account Payable Check**

This voucher check is especially designed to comply with the internal control systems developed by credit unions. It provides three complete, itemized records of payment with one writing, including two detachable carbon copies with the same serial number for journal and ledger postings. It is widely accepted as a valuable aid to credit union security programs.
Your choice of account headings and type matter on bottom of voucher.

A tamper proof check with the same Credit Union design and tinted background, imprinted with the name of your Credit Union and its bank, Little Man symbol and Credit Union motto, and your choice of two stubs.
Nearly 2,000 credit unions are now using our quality, union-made checks and machine pass-books.

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I would like to receive, without obligation, complete information and premium rates on CUNA Mutual's _____ insurance plan(s).

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